

# LGA Corporate Peer Challenge

Hinckley & Bosworth Borough Council

3<sup>rd</sup> – 5<sup>th</sup> December 2024

Feedback report



**Corporate Peer Challenge**



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## 1. Introduction

Corporate Peer Challenge (CPC) is a highly valued improvement and assurance tool that is delivered by the sector for the sector. It involves a team of senior local government councillors and officers undertaking a comprehensive review of key finance, performance and governance information and then spending three days at Hinckley and Bosworth Borough Council (HBBC) to provide robust, strategic, and credible challenge and support.

CPC forms a key part of the improvement and assurance framework for local government. It is underpinned by the principles of sector-led improvement (SLI) put in place by councils and the Local Government Association (LGA) to support continuous improvement and assurance across the sector. These state that local authorities are: Responsible for their own performance, Accountable locally not nationally and have a collective responsibility for the performance of the sector.

CPC assists councils in meeting part of their Best Value duty, with the UK Government expecting all local authorities to have a CPC at least every five years.

Peers remain at the heart of the peer challenge process and provide a 'practitioner perspective' and 'critical friend' challenge.

This report outlines the key findings of the peer team and the recommendations that the council are required to action.

## 2. Executive summary

Hinckley and Bosworth Borough Council (HBBC) is an ambitious and forward-looking council focused on economic growth. It is dedicated to serving its communities and actively leads on, promotes and supports major development projects to achieve this goal. There is strong and visible leadership with the leader and the chief executive complementing one another. The chief executive is highly regarded by partners and businesses and plays an important role in strategic partnerships. He is seen as accessible and plays a key role in facilitating major projects.

There is a strong emphasis by members and officers on supporting communities and

responding to their diverse needs. There is a good understanding of the socio demographic and diverse needs of the district, which has resulted in tailored projects and community support programmes to the communities. The passion and loyalty of staff and members is palpable in day-to-day and community-based work.

Financial management and budget setting is clear and effective. The council is developing its savings plan. The delivery process will need to be communicated to councillors and officers and define any future borrowing position.

With the challenges to budgets and capacity, the council will need to clearly define its role in any future partnerships: whether it is as a deliverer, facilitator, or influencer of others in achieving its goals. This should also be clearly articulated and understood by partners. Currently, some of the partnership working relies heavily on individual relationships.

The council would benefit from clearly and publicly re-defining the roles of the executive, scrutiny and audit. Although senior councillors are confident that all processes are transparent and compliant, continuing to develop the process of publishing all officer decisions in a timely manner and in an accessible location would demonstrate this transparency. This would ensure that all councillors are aware of where decisions are made and the approach the administration takes to taking reports to full council for discussion by all, rather than to executive.

### 3. Recommendations

There are several observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

#### **3.1 Recommendation 1: Celebrate your organisational culture and ethos and the passion of your staff and councillors, recognising the passion, commitment, loyalty and belief in place**

The organisational culture is very positive, open and supportive. Staff and councillors are committed to the local agenda and doing the best for the borough, including for the workforce.

### **3.2 Recommendation 2: Ensure the extent of your community leadership work is well communicated and celebrated**

The community leadership role of the council is considerable, over and above what many councils achieve and is sometimes overlooked. This should be highlighted and celebrated.

### **3.3 Recommendation 3: Ensure that the council's roles as a deliverer, facilitator and influencer are clearly defined**

Some of the relationships and partnerships are built on trust. This is testament to excellent working relationships and is currently delivering successful outcomes. The strength of the relationships is palpable, however, with the changing face of local government some of the governance arrangements may need to be more formalised in order to ensure the transition into the new public sector landscape.

### **3.4 Recommendation 4: Consider resilience and capacity challenges with existing work and as well as when considering new projects and initiatives**

There is limited capacity in some teams across the Council which may impact on resilience. Ensure that capacity is considered when planning new projects and initiatives. Succession planning in a number of key areas should be considered.

### **3.5 Recommendation 5: Continue to develop an income and savings plan with councillors and senior staff to minimise future impact of service delivery**

Work is underway to develop a robust income & savings plan and this should be accelerated and prioritised. Some officers are already talking about income generation and exploring ways for this to take place. Ensure that councillors as well as officers are involved in the income and savings plan to close the budget gap. The plan should be consulted on as part of the budget setting process and shared with all staff so they are fully aware and can contribute to its delivery.

### **3.6 Recommendation 6: Ensure senior staff continue to develop awareness of delegations, roles and responsibilities**

The council should continue to assure itself that delegations, roles and responsibilities of senior councillors and senior officers are clearly understood by all, including the administration, opposition and officers. This information should be clearly communicated and easily available. The role of the overview and scrutiny function in the 'call-in' process and broader scrutiny work should be publicly available and clear to all.

### **3.7 Recommendation 7: Continue developing the process of publishing and recording of decisions**

The council should assure itself that all decisions are taken in accordance with the Constitution and Local Scheme of Delegations. Decision notices (including delegated officers' decision notices) should be produced and published regularly. This will demonstrate transparency and help HBBC protect itself from external challenge about its decision-making processes.

### **3.8 Recommendation 8: Ensure that performance management visibly supports strategic decisions**

Whilst a range of key decisions are taken by the executive, performance is also reported to the Executive and Scrutiny Commission. At the leader's request a number of key decisions are taken in full council to engage wider member engagement. The council should ensure that performance reporting supports priority monitoring and decision making.

### **3.9 Recommendation 9: Ensure the roles for managing risks are clear and that they support decision-making**

Clarify how councillors are involved in the management of corporate risks, and that corporate risks are considered when making strategic decisions.

## 4. Summary of peer challenge approach

### 4.1 The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected by the LGA on the basis of their relevant expertise. The peers were:

- Ian Davidson, chief executive, Tendring District Council
- Dave Hodgson, former elected mayor (Liberal Democrat) Bedford Borough Council
- Councillor Simon Minas-Bound, conservative group leader, Basingstoke and Deane District Council
- Clare Chester, until recently director of regeneration and prosperity, East Hampshire
- Jonathan Noad, chief officer sustainable growth, Lancaster City
- Emma Diakou, head of business insight, policy and partnerships, North Somerset
- James Wrathall, impact graduate at Dacorum Borough
- Becca Singh, peer challenge manager, LGA

### 4.2 Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** - Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities? Is there an organisational-wide approach to continuous improvement, with frequent monitoring, reporting on and updating of performance and improvement plans?
2. **Organisational and place leadership** - Does the council provide effective local leadership? Are there good relationships with partner organisations and local

communities?

3. **Governance and culture** - Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management - Does the council have a grip on its** current financial position? Does the council have a strategy and a plan to address its financial challenges? What is the relative financial resilience of the council like?
5. **Capacity for improvement** - Is the organisation able to bring about the improvements it needs, including delivering on locally identified priorities? Does the council have the capacity to improve?

As part of the five core elements outlined above, every corporate peer challenge includes a strong focus on financial sustainability, performance, governance, and assurance.

In addition to these themes, the council asked the peer team to provide feedback on how it supports communities, and specifically about economic development.

#### **4.3 The peer challenge process**

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure they were familiar with the council and the challenges it is facing. This included a position statement prepared by the council in advance of the peer team's time on site. This provided a clear steer to the peer team on the local context at

Hinckley and Bosworth Borough Council and what the peer team should focus on. It also included a comprehensive LGA Finance briefing (prepared using public reports from the council's website) and a LGA performance report outlining benchmarking data for the council across a range of metrics. The latter was produced using the LGA's local area benchmarking tool called LG Inform.

The peer team then spent three days onsite at Hinckley Hub, during which they:

- Gathered evidence, information, and views from more than 40 meetings, in addition to further research and reading.
- Spoke to more than 150 people including council staff at all levels together with councillors and other external local, regional and national partner stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and councillors.

## 5. Feedback

### 5.1 Local priorities and outcomes

HBBC is a strong community leader, and the organisation recognises the key socio-demographic challenges around balancing rural / urban needs, an ageing population and an increasing economic base providing potential opportunities for young people in employment. There is a strong emphasis on caring about local communities and responding to their needs.

HBBC has an excellent record of working in partnership on a range of agendas, for example: economic development, health, rural areas, community safety, town initiatives, children and young people, employment and skills, other councils and voluntary and community sectors. However, with increasing strain on local government finance, it is important to maintain balance between issues district councils have responsibility for, and those where it needs to influence others to deliver. Partners speak very highly of individual council officers, however governance arrangements around some of these partnerships need strengthening to make them sustainable and not solely reliant on individual relationships. Further, some partners

were not clear on the role of Councillors.

It is important for HBBC not to overstretch its capacity in these partnerships. Whilst it is acknowledged that work with public health and other partners is very positive and embraced to add value to council services, particularly in areas such as housing and community safety, these are areas where it may be necessary for HBBC to clearly define its delivery, facilitation and influencing roles better, especially when capacity in the organisation is stretched.

### **5.1.1 Performance**

There is a well-developed performance management framework, and there are innovative examples of performance management, for example in Housing. The peer team recommend that this is embedded across all services to ensure consistency in approach and that performance management can support officer, council and executive decision-making.

Performance on Planning has been improving in recent years, culminating in the council being awarded “Planning Authority of the Year – East Midlands” at the Royal Town Planning Institute (RTPI) East Midlands awards in 2024, and finalists in national RTPI Awards. This was after a period of challenging performance, following significant changes in personnel and structure in 2021/22.

The peers used the LG Inform report on published performance management data, using East Midlands district councils as a comparator group. The LG Inform data indicates that HBBC is performing reasonably well across the board. Key issues to note:

- Total core spending power (mostly from government revenue grants) was the lowest in 2022/23 at £187.08 compared to the median of £241.61
- Debt servicing for capital expenditure as a per cent of core spending power was 27.2%, above the median of 14.8 per cent in 2023/24
- Total debt (capital finance requirement; amount of capital expenditure not yet funded by capital receipts, capital grants or revenue contributions) as a percentage of core spending power was 1,085 per cent, above the median

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**Chief Executive:** Joanna Killian

**President:** Baroness Grey-Thompson

percentage of 73.7 per cent in 2022/23

- HBBC spent £26.07 on housing services per person, compared to £82.09 in England, and £30.10 in East Midlands districts
- HBBC has one of the highest numbers of households in temporary accommodation in the region at 1.23 households per thousand, but it should be noted that this is still low compared to national average of 4.87 per thousand

## 5.2 Organisational and place leadership

There is strong and visible leadership in the organisation with the chief executive and the leader complementing each other well. Both are engaged, along with other senior officers, on regional and national organisations, for example the District Councils Network, LGA, East Midlands Councils and Crimestoppers. Partners and businesses see the chief executive as very accessible and regard him highly.

There is strong leadership from executive members who are clearly visible and demonstrate understanding of their portfolios. Regular meetings take place between Executive members and senior lead officers.

There is an excellent record of working in partnership for example economic growth health, rural areas, community safety, town initiatives, children and young people, employment and skills partnerships, other councils and voluntary and community sectors.

There are good councillor/officer relations. Councillors clearly believe in place and place leadership and there are examples where councillors are visible in communities, for example in rural plans, attending parish councils and children and young people events. Councillors are supportive of the focus on economic development, town centres, tourism and inward investment as well as supporting communities, housing and voluntary sector.

There is a positive, inclusive organisational culture which is led from the top. Senior officers demonstrate this culture and encourage staff to develop. Staff are passionate and committed to doing the best for the communities they serve.

There are good examples of cross-council working, for example several services work with their counterparts in other district councils across the county and in regional networks such as waste, communications and human resources (HR). Waste services provided an excellent example of how working with contractors, developers and other councils - they regularly pick up litter on the A5 during planned road closures to improve safety. HBBC officers shared information on how this works by developing a toolkit and sharing it with other councils along the A5.

The council will need to ensure that succession planning, resilience to cope with change, reduced resources, and staff capacity to address such an ambitious agenda is considered. The council should continue to ensure that governance arrangements around partnerships are clear, easily accessible and available. This is particularly critical for partnerships that may be at risk with reduced resources or solely dependent on particular individuals. It is important to put safeguards in place to ensure that there are no “single points of failure”.

### **5.3 Governance and culture**

The council elections in 2023 saw a continued term for the Liberal Democrat administration and an intake of new councillors. There was an induction programme for new councillors. Whilst councillors found this to be excellent, it had a lot of information for them to absorb in one go. Therefore, parts of the training should be reviewed and updates provide on a regular basis. Councillors are also informed about the East Midlands Councils’ and LGA’s training and development opportunities and encouraged to be involved. The council is developing a programme of continuous councillor improvement and information awareness of key local government challenges as well as the council’s own ambitious programme.

There have been so many changes in local government in the last few months, it is important to ensure that all councillors, not just those new to the role, fully understand how all the changes affect the decisions the council makes.

As part of the work on improving the council’s governance arrangements, work is underway to develop the process of recording and publishing of decisions.

Whilst the executive meets to take a range of key decisions, the administration takes

the view that decisions made in full council meetings gives all councillors the chance to debate issues and is more transparent. The council should continue to ensure that this approach is well-known and understood. Some clear communications would also be helpful to outline the council's approach to delegated decision-making, being clear about roles and responsibilities for both councillors and officers, further assisting in demonstrating transparency in decision-making.

The scrutiny function currently has a wide remit. This could be strengthened by continuing to use different mechanisms such as task and finish groups, building on the task and finish commissions, for example in housing services and planning, to undertake deep dives into specific topics to support decision-making and constructive challenge to the executive. It has an important role to interrogate data and evidence to ensure decision-making is robust.

The work and importance of the audit committee is recognised as is the value of the recommendations from the auditors (both internal and external). There is work underway to further develop the audit committee role and continue its improvement journey to maximise its potential to ensure that all governance arrangements, decision-making and finances are appropriately documented and published. The audit function should provide the council with assurance that all governance arrangements, decisions and strategies are evidence-based and compliant with both the council's constitution and the legal responsibilities of all councils.

#### **5.4 Financial planning and management**

Financial management procedures and budget setting processes are clear, but not all councillors demonstrate clear understanding.

The current budget is based on utilisation of reserves. The council is developing its Income and savings plan as part of the next phase of budget setting. This plan will need to be shared and owned by councillors and senior officers. It will also need to be shared with wider staff to ensure they understand the challenge and the actions they need to take. To maintain reserves long-term, this plan needs to help the council close the funding gap. Income generation is a positive way to do this, and some officers are already considering income generation plans (for example in the waste

service).

The budget setting process needs to allow enough time for appropriate engagement with councillors, officers, residents and other stakeholders. At the time of the peer challenge, the council's budget strategy was programmed to go to Scrutiny along with the reporting pathway for the medium term financial strategy and other budgets. It is increasingly important for councils to demonstrate how resident engagement affects decision-making, particularly for housing stock-holding councils and there is strong evidence of resident engagement with the council's tenants.

The peer team recommend ensuring that all public consultation (forthcoming and past) continues to be published on the website, along with the conclusions from that consultation, and how it has affected decision-making.

The corporate risk framework is sound but could be enhanced by ensuring that there is clarity of risk management roles and that it supports decision-making. High level corporate risks and mitigating actions should be planned when conducting scenario planning and options appraisals. It is important to monitor borrowing, and its associated risks, with particular regard to potential changes in interest rates. Servicing debt can outstrip council tax for some councils. As part of this work the council should be clear about its borrowing position and how it will be serviced,

## **5.5 Capacity for improvement**

There is a strong sense of trust, respect and support amongst the workforce. The dedicated and stable workforce forms the backbone of current successes. The recent people strategy is strong. Going forward it will be important to ensure that its action plan has clear deadlines and targets and that it is delivered in a timely manner.

Flexible and hybrid working has been introduced, and has been welcomed by staff, thereby improving morale and productivity. However, officers reported that there were some inconsistencies in its implementation that may be reflected in the nature of the roles within the council. The HR team are proposing to remind staff and managers of the expectations and responsibilities involved in hybrid and flexible

working.

Officers in some teams across the council are often stretched by the council's ambitious goals. The peer team recommend assessing the organisational capacity to deliver on the council's current ambitions before taking on more major projects. Additional capacity may be needed in corporate services to address some of the audit concerns that basic procedures and decisions are not always published in a timely fashion.

HBBC is a small organisation, with a significant number of senior officers having been in the organisation for many years. It is important to safeguard institutional memory; if it is not written down, it will get lost. In addition, it is important to support and protect officers and councillors through documented evidence.

There are good examples of programme management (e.g. the projects under the Levelling Up Fund). However, the council should ensure project management practices are consistent across all projects, by extending your work on programme management to support officers delivering major projects and ensure consistency and compliance, including risk management.

## **5.6 Economic development and growth**

The Council has a strong and positive ethos to economic growth, recognising the benefits to the local communities. There is a clear demonstrable successful portfolio of projects with tangible benefits, for example, the Atkins Building, Hinckley Leisure Centre, MIRA Technology Park and the Crescent. There is skill and passion amongst officers and good demonstrations of joint working across disciplines, for example Culture and Leisure with Development Management to encourage active travel and increase health benefits for communities.

There is clear, demonstrable evidence of positive relationships with key partners across businesses, landowners, developers, education providers and skills bodies. HBBC is clearly highly respected in the economic development and growth field, and there are numerous examples where HBBC has supported (directly or indirectly) and influenced developments to have real impact. "Punching above their weight" was a phrase used by several partners throughout the peer challenge.

There has been a great turnaround in the planning service. There is excellent officer leadership and there has been a clear improvement in performance. There are some outstanding challenges about the local plan, but these are known about, and the team is working to address them.

Officers told the peer team that robust processes are in place for performance and risk around programme management and decision-making (based on robust business cases) for major projects or investments. HBBC should reassure itself that there is a clearly understood and documented decision-making and accountability audit trail for all major projects and investments.

## 6. Next steps

It is recognised that senior political and managerial leadership will want to consider, discuss and reflect on these findings. The LGA will continue to provide on-going support to the council. Following publication of CPC report you need to produce and publish an Action Plan within five months of the time on site. As part of the CPC, the council are also required to have a progress review and publish the findings from this within twelve months of the CPC. The LGA will also publish the progress review report on their website.

The progress review will provide space for a council's senior leadership to report to peers on the progress made against each of the CPC's recommendations, discuss early impact or learning and receive feedback on the implementation of the CPC action plan. The progress review will usually be delivered on-site over one day.

The date for the progress review at Hinckley and Bosworth will need to be early October 2025 to comply with these timescales.

In the meantime, Mark Edgell, principal adviser for the East Midlands, is the main contact between your authority and the Local Government Association. As outlined above, Mark is available to discuss any further support the council requires.

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